Customer Value Structures

State of Michigan LPI Methodology Activity 2

RPM
Reinventing Performance in Michigan
Lean Process Improvement Training

What
is
CVS?

CVS Stands for Customer Value Structures

CVS is an organized way to identify customer needs

and allows an evaluation of the current process to determine if the customer needs are being met

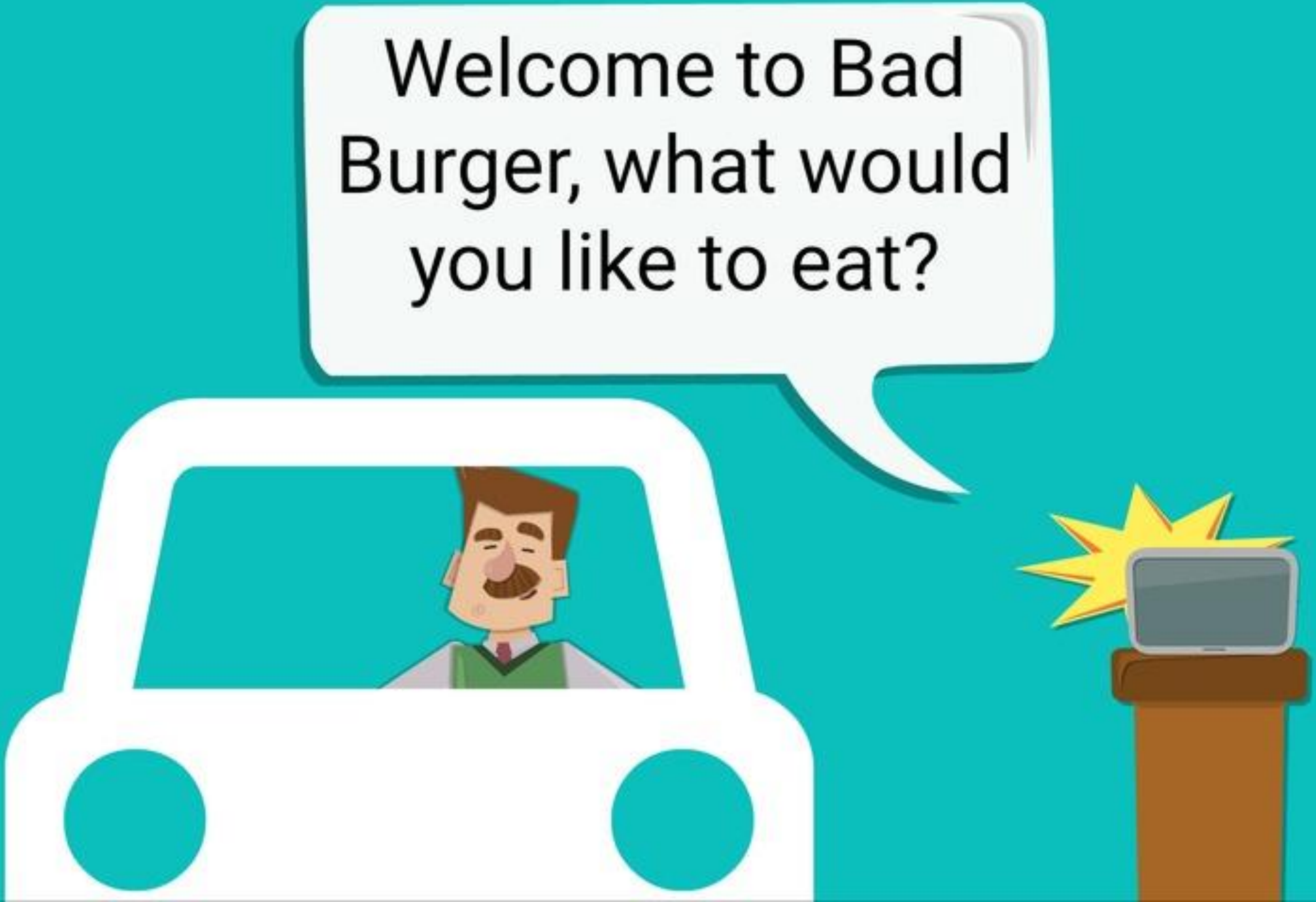
Why
use
CVS?

CVS allows you to quantify customer needs that could be difficult to measure

It helps identify gaps in the Current Process...

... and establishes a baseline for comparison to the Future Process

Let's see an example...


Welcome to Bad Burger, what would you like to eat?

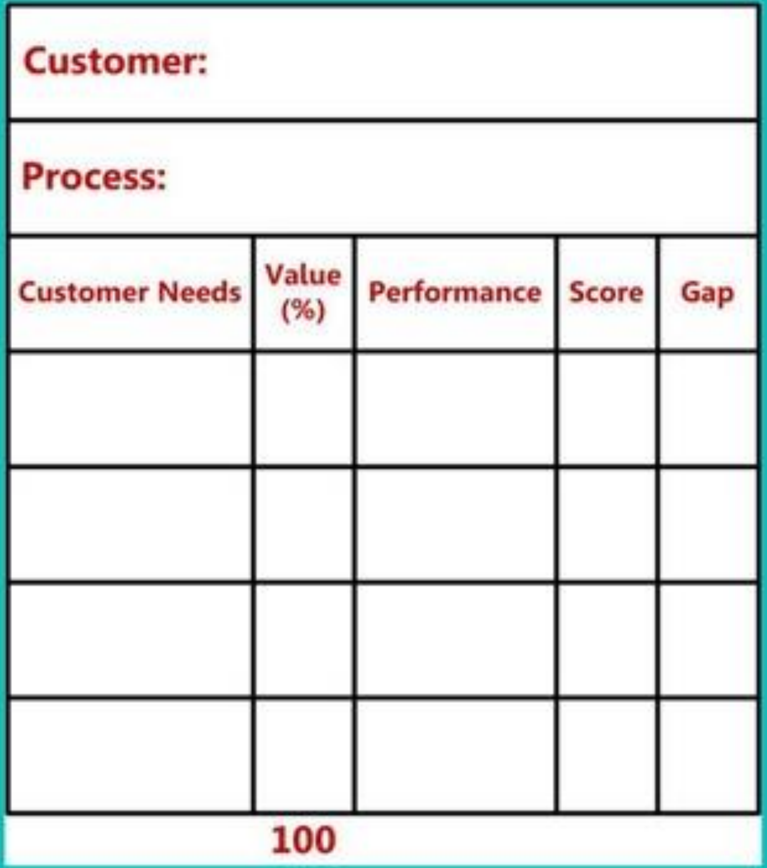
When customers come to a fast food restaurant...

they have certain needs

As a service provider, it is your job to identify those needs in a CVS to ensure maximum customer satisfaction!

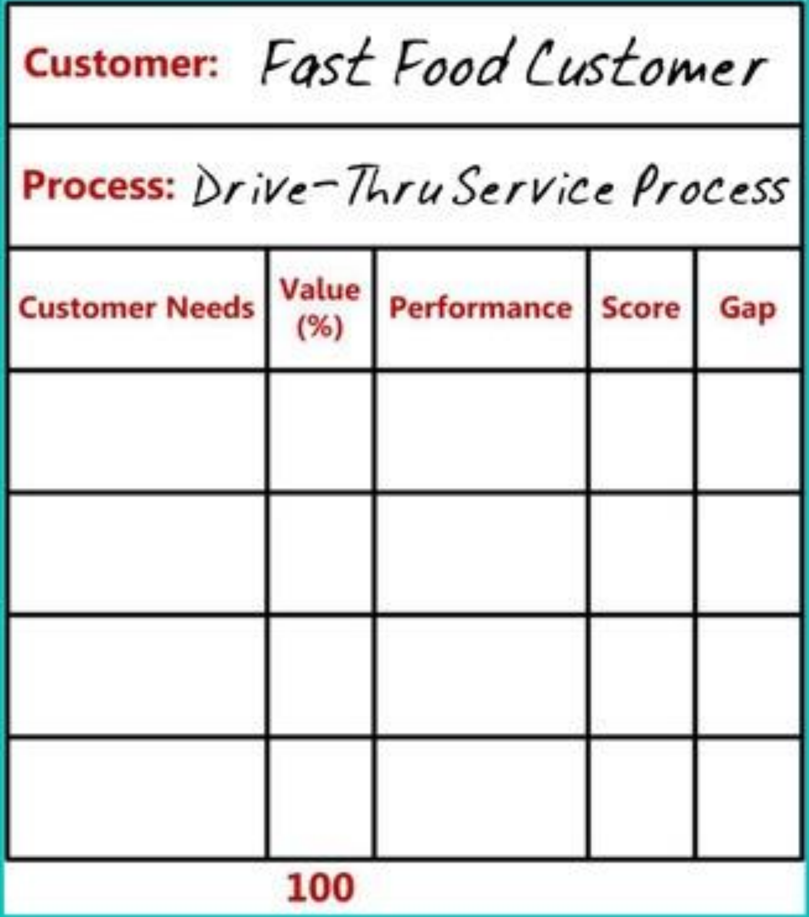
LET'S FACILITATE THIS ACTIVITY

START WITH A BLANK CVS CHART



Customer:				
Process:				
Customer Needs	**Value (%)**	**Performance**	**Score**	**Gap**
	100			

1. IDENTIFY THE CUSTOMER AND PROCESS



Customer: Fast Food Customer

Process: Drive-Thru Service Process

Customer Needs	Value (%)	Performance	Score	Gap
	100			

Tell the team to put on the "customer hat."

The CVS Chart will be from the customer's perspective

2. IDENTIFY THE CUSTOMER'S NEEDS

Customer: Fast Food Customer

Process: Drive-Thru Service Process

Customer Needs	Value (%)	Performance	Score	Gap
	100			

Put your customer hat on

2. IDENTIFY THE CUSTOMER'S NEEDS

Customer: Fast Food Customer

Process: Drive-Thru Service Process

Customer Needs	Value (%)	Performance	Score	Gap
Hot/Fresh				
Fast				
Cheap				
Accurate				
	100			

Remember... think like the customer to identify their needs!

3. ASSIGN PROBABLE VALUES

Provide a value for each of the customer needs from the CUSTOMER'S perspective

Customer: Fast Food Customer

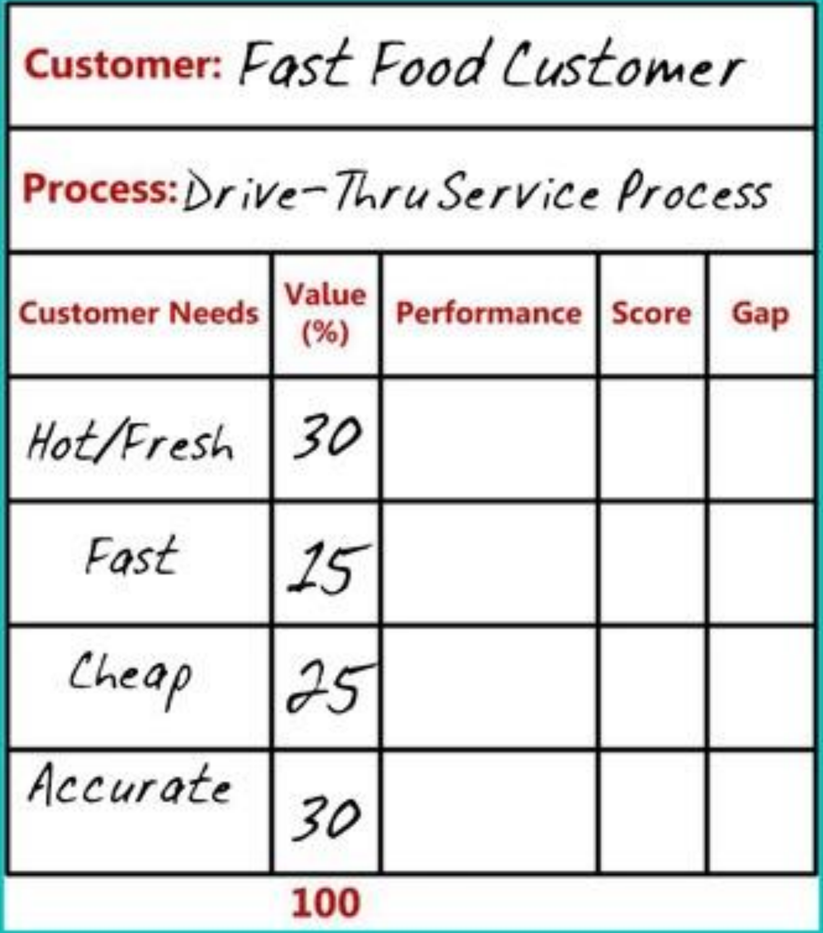
Process: Drive-Thru Service Process

Customer Needs	Value (%)	Performance	Score	Gap
Hot/Fresh				
Fast				
Cheap				
Accurate				
	100			

There are 100 percentage points to distribute

3. ASSIGN PROBABLE VALUES

Start with the needs that have the highest value...



Customer: Fast Food Customer

Process: Drive-Thru Service Process

Customer Needs	Value (%)	Performance	Score	Gap
Hot/Fresh	30			
Fast	15			
Cheap	25			
Accurate	30			
	100			

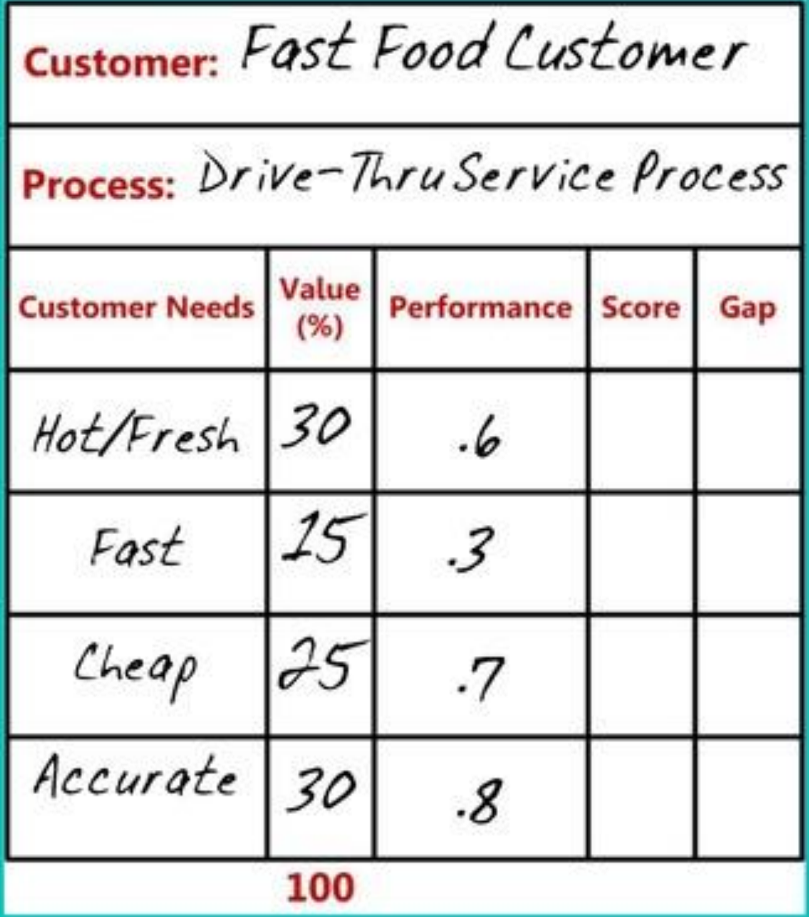
...then distribute the remaining points

Next, you will rank the performance from 0 to 1… with 1 indicating PERFECT performance

0 .1 .2 .3 .4 .5 .6 .7 .8 .9 1

4. RATE THE CURRENT PERFORMANCE

Consider how the current process is performing for each need from the CUSTOMER'S perspective



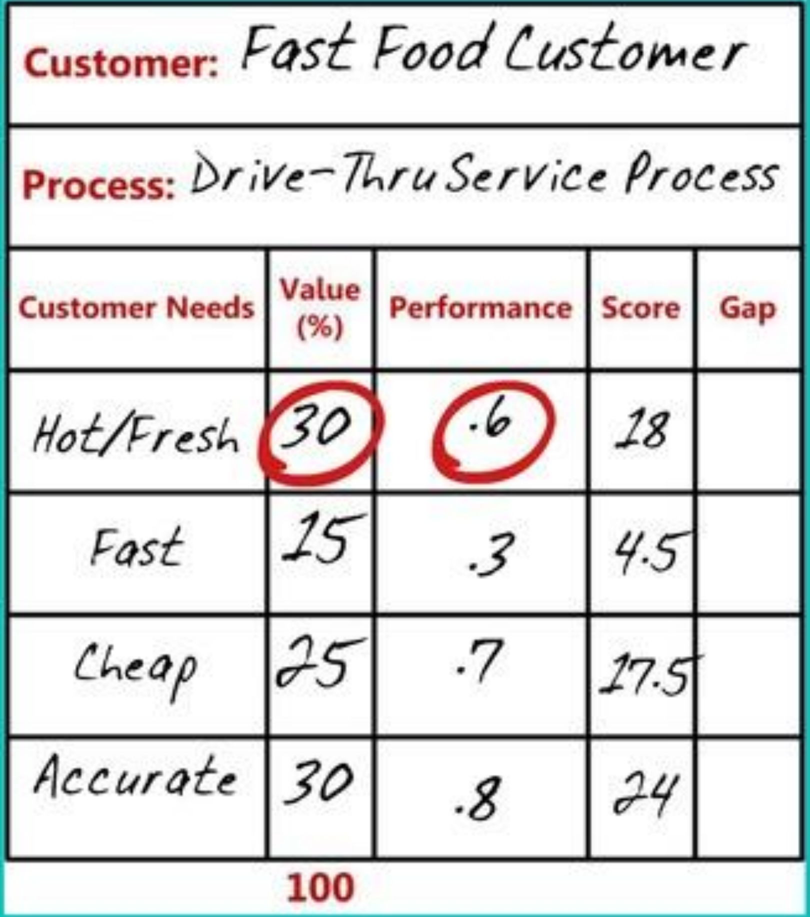
Customer: Fast Food Customer

Process: Drive-Thru Service Process

Customer Needs	Value (%)	Performance	Score	Gap
Hot/Fresh	30	.6		
Fast	15	.3		
Cheap	25	.7		
Accurate	30	.8		
	100			

5. CALCULATE SCORES

The score reflects performance in terms of value to the customer



Customer: Fast Food Customer

Process: Drive-Thru Service Process

Customer Needs	Value (%)	Performance	Score	Gap
Hot/Fresh	30	.6	18	
Fast	15	.3	4.5	
Cheap	25	.7	17.5	
Accurate	30	.8	24	
	100			

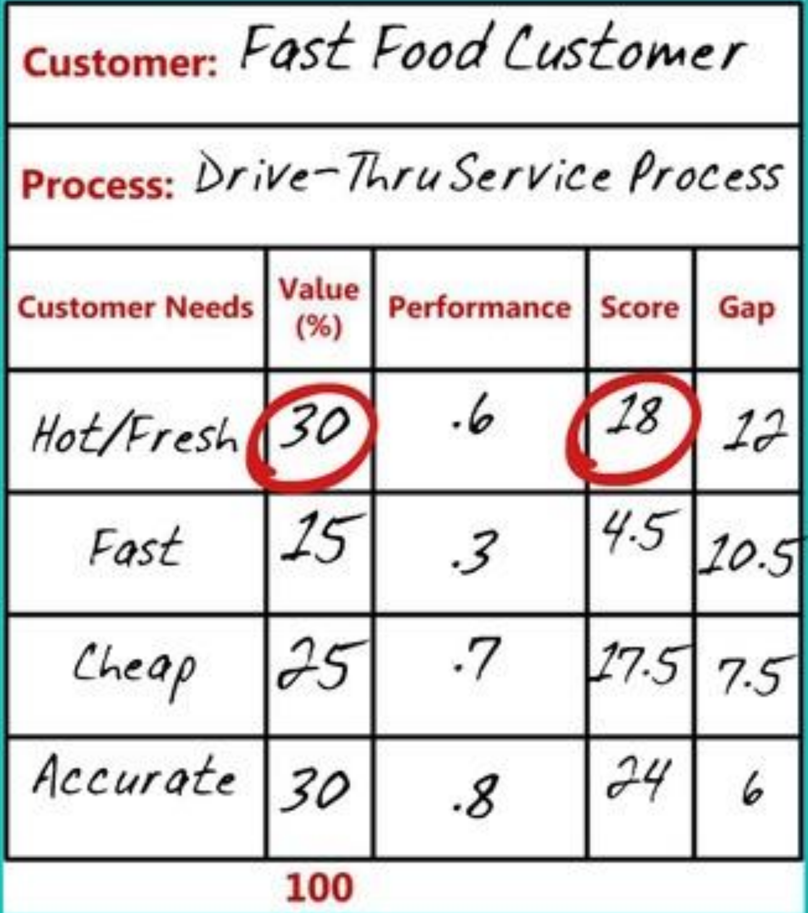
Value ×

Performance

= Score

6. CALCULATE GAPS

Gaps identify where to focus process improvement efforts



Customer: Fast Food Customer

Process: Drive-Thru Service Process

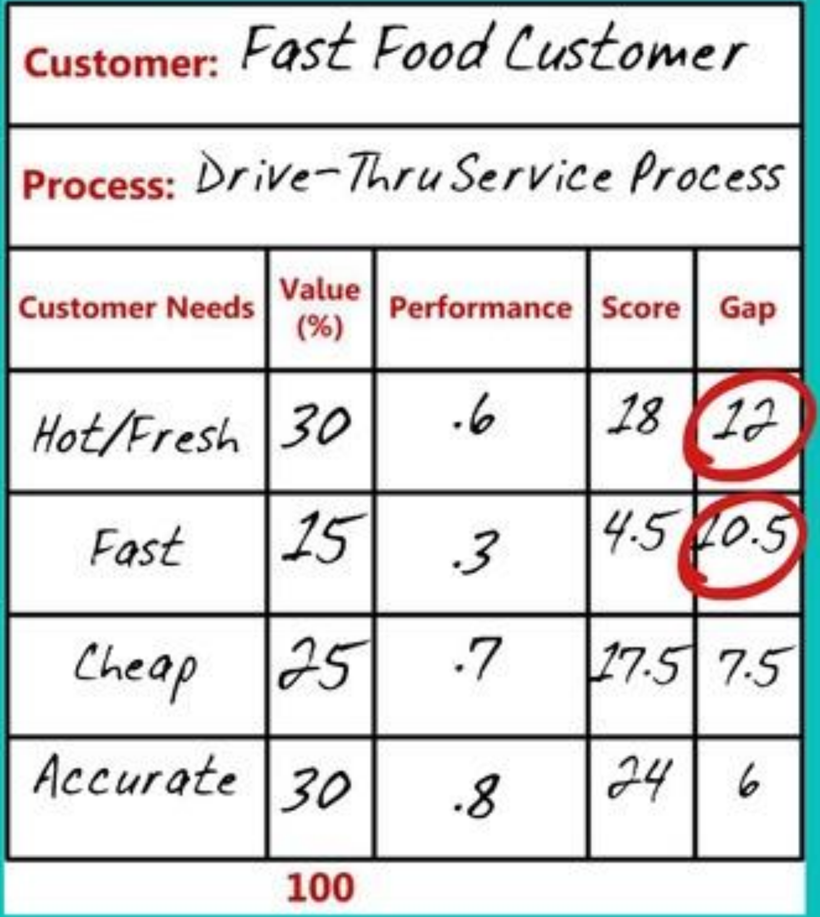
Customer Needs	Value (%)	Performance	Score	Gap
Hot/Fresh	30	.6	18	12
Fast	15	.3	4.5	10.5
Cheap	25	.7	17.5	7.5
Accurate	30	.8	24	6
	100			

Value − Score

= Gap

7. IDENTIFY LARGEST GAPS

Address these gaps to continue to improve the process



Customer: Fast Food Customer

Process: Drive-Thru Service Process

Customer Needs	Value (%)	Performance	Score	Gap
Hot/Fresh	30	.6	18	12
Fast	15	.3	4.5	10.5
Cheap	25	.7	17.5	7.5
Accurate	30	.8	24	6
	100			

BRAINSTORM IDEAS TO REMOVE GAPS IDENTIFIED

I have an idea
What about?

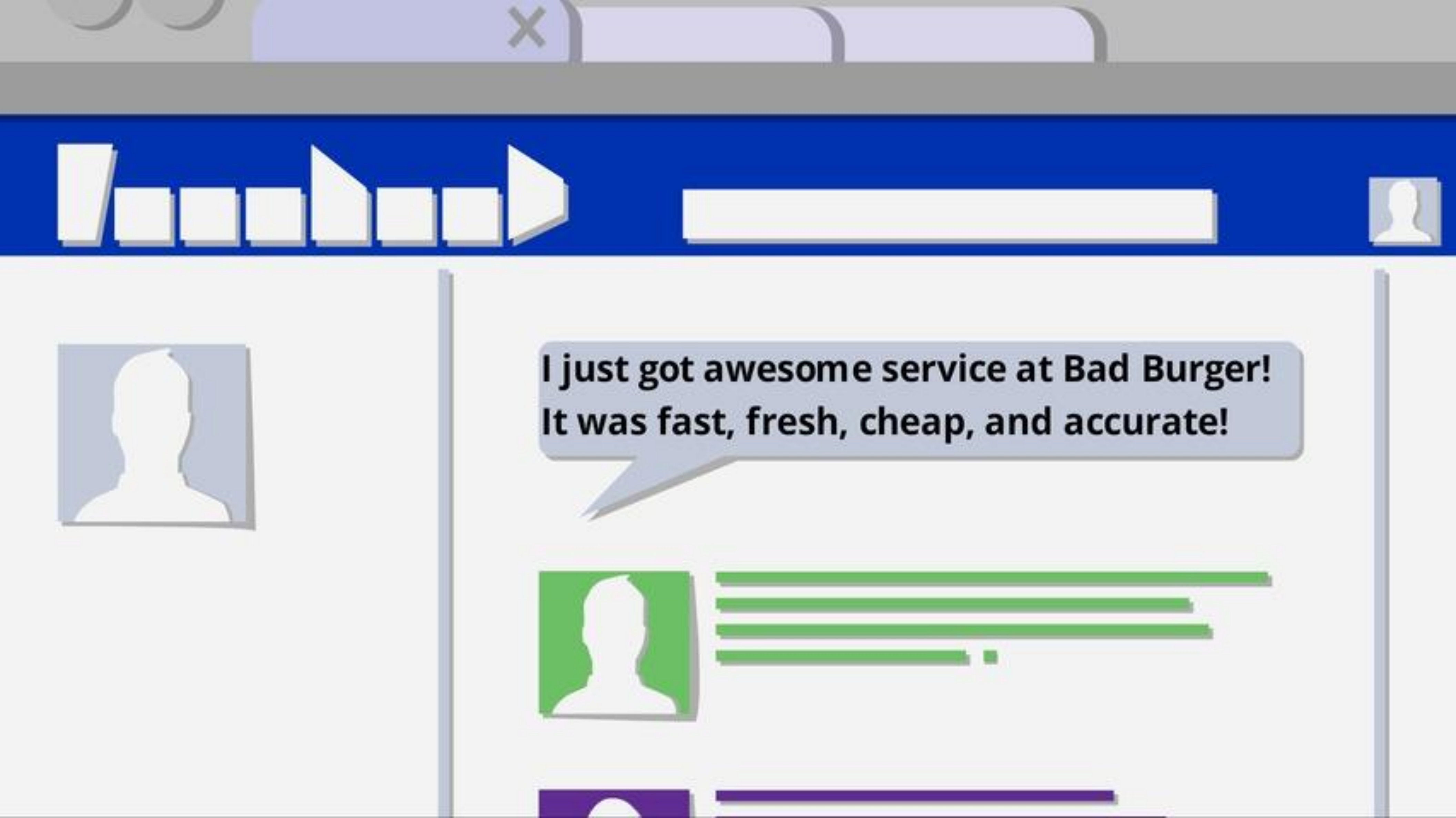
Now that the largest gaps are identified...

AREAS WHERE YOUR PROCESS FALLS SHORT OF CUSTOMER EXPECTATIONS

...start the improvements there!

After a future process has been established, revisit the performance and recalculate the gaps

Use those ideas to determine how the team has increased customer satisfaction



I just got awesome service at Bad Burger!
It was fast, fresh, cheap, and accurate!

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for Level I LPI Training

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